

OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

November 21, 2023

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Relating to the Reprogramming of Funds for Revenue Replacement

This is in response to your written request via Council Communication 292 (2023) for an Administration resolution proposing the reallocation of the remaining balance of Tranche 2 funds in advance of the City's Fiscal Year 2025 budget. As previously represented, the Administration is also reprogramming the reallocation of remaining Tranche 1 funds and the reprogramming details for Tranche 1 funds will be shared with Council and the public.

Pursuant to Ordinance 22-14, Section 17, a resolution relating to the reprogramming of American Rescue Plan Act of 2021 (Pub.L. 117-2), State and Local Fiscal Recovery Funds is attached.

Should you have any questions please feel free to contact Executive Assistant Andrew Malahoff via email at amalahoff@honolulu.gov or by phone at 768-4068.

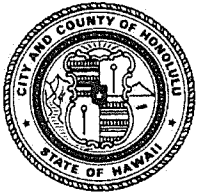
Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Formby", with a long horizontal line extending to the right.

Michael D. Formby
Managing Director

Attachment

MAYOR'S MESSAGE 241



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
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No. _____

RESOLUTION

RELATING TO REPROGRAMMING OF AMERICAN RESCUE PLAN ACT OF 2021 (PUB. L. 117-2), STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM IN SUPPORT OF REVENUE REPLACEMENT.

WHEREAS, on June 3, 2022, the City Council adopted Bill 15 (2022), CD2, FD1, Relating to the Executive Capital Budget and Program for the Fiscal Year July 1, 2022 to June 30, 2023; and

WHEREAS, on June 20, 2022, pursuant to Section 3-203 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, Bill 15 (2022), CD2, FD1, became a duly enacted ordinance, Ordinance 22-14; and

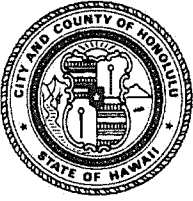
WHEREAS, Ordinance 22-14 provided for the appropriation of \$193,126,071 in federal grant monies received under the American Rescue Plan Grants Program; and

WHEREAS, Appendix A of Ordinance 22-14 designates 45 discrete projects to be funded by the appropriation and provides estimated costs for the respective projects; and

WHEREAS, Section 17 of Ordinance 22-14 provides, in part, that, "[m]onies from the American Rescue Plan Act of 2021 (Pub. L. 117-2), State and Local Fiscal Recovery Funds program ("ARPA") monies are hereby designated for the projects listed in Appendix A. ARPA monies appropriated in the American Rescue Plan Grants Program project may be encumbered or expended for these designated projects without further Council approval. No reprogramming actions for monies appropriated in the American Rescue Plan Grants Program project for projects not listed in Appendix A shall be made unless the Council first approves such reprogramming by resolution submitted by the Mayor"; and

WHEREAS, on June 7, 2023, the Honolulu City Council unanimously adopted Resolution 23-114 titled, "URGING THE CITY ADMINISTRATION TO PROVIDE HAZARD PAY TO ELIGIBLE CITY EMPLOYEES WHO PERFORMED ESSENTIAL WORK DURING THE COVID-19 PUBLIC HEALTH EMERGENCY"; and

WHEREAS, the City administration has proposed to advance payments to the City's Other-Post Employment Benefit ("OPEB") activity (and/or such other FY25 expense category(ies) as identified by Council and the administration), consistent with U.S. Treasury rules and guidelines through the reallocation and recovery of State and Local Fiscal Recovery Funds, thereby allowing the City to have sufficient financial



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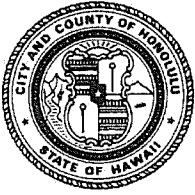
capacity to program funds in the FY25 Operating Budget to support a number of potential atypical expenses including, but not limited to, the potential payment of hazard pay to eligible essential workers employed by the City during the pandemic; and

WHEREAS, the City administration has, to-date, reprogrammed approximately \$40,000,000 in Tranche 1 ARPA funds for this purpose and there are currently no additional sources of funding available; and

WHEREAS, through Mayor's Message 234 (2023), dated November 9, 2023, the administration sought approval for the reprogramming of approximately \$39,011,512; and

WHEREAS, the following projects are being identified for reprogramming:

Project Number	Project Description	Estimated Cost
1.	Provide grants to non-profit organizations for provision of services related to assisting homeless or at-risk of being homeless individuals and families and residential and/or inpatient services to address substance abuse and/or mental health issues.	\$5,000,000
2.	Development of City housing to service the 30 percent area median income and below population.	\$5,000,000
4.	Funding to advance Resilience Strategy Action 3, including: 1) further encouraging the building of Accessory Dwelling Units (ADUs) by improving the ADU permitting process and removing impediments to ADU construction; and 2) supporting the development of mini-homes, kauhale, and other models of communal and community-based housing in districts outside of the Primary Urban Center.	\$2,500,000
6.	Funding for cesspool conversions, especially to low-income owners and in areas where deemed most hazardous to human or environmental health as recommended by Economic Assistance and Revitalization-Stakeholder Advisory Group.	\$5,000,000

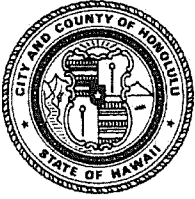


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12.	Funding to support public private partnerships to advance sea water air conditioning green infrastructure projects.	\$2,500,000
17.	Funding for one position to focus on improvements to vacant or abandoned parcels to support households or communities that have been disproportionately impact by the COVID-19 pandemic.	\$115,682
18.	Funding for current expense for the Honolulu Police Department patrol division.	\$1,000,000
19.	Provide grants to organizations for the promotion of multi-modal transportation options.	\$50,000
21.	Acquisition of asphalt trucks for road maintenance to expand the City's current fleet.	\$300,000
22.	Funding to expand stabilization facilities in partnership with the Honolulu Police Department and the State Department of Health that create a transition for severely mentally ill persons and those with substance abuse issues to become stable and get into longer-term care. This may include infrastructure improvement, acquisition, construction, operations, and programmatic support.	\$1,000,000
23.	Funding for the implementation of a diversion program through a service provider, in collaboration with the Honolulu Police Department, to prevent status offenders from entering the juvenile justice system.	\$550,000
24.	Funding for two positions to focus on the Home Ownership Assistance Grant Program to support households and communities impacted and/or disproportionately impacted by the COVID-19 pandemic.	\$222,968
25.	Funding for the Home Ownership Assistance Grant Program to support households and communities impacted and/or disproportionately impacted by the COVID-19 pandemic.	\$5,000,000
26.	Funding for homeless services, Housing First, and Fair Housing Programs.	\$4,689,913
27.	Funding for one position to focus on the rehabilitation and maintenance of special needs housing.	\$115,862

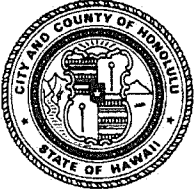


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29.	Funding to support domestic violence service providers to develop housing options to appropriately house and support those fleeing from domestic violence.	\$2,000,000
30.	Funding for the Department of Community Services, Community Based Development, to: 1) assist with a division reorganization, update of position descriptions, and recruitment; 2) create standard operating procedures, and policies and procedures for managing, administering, and monitoring federal and state awarded housing and homelessness-related funds; and 3) train staff.	\$100,000
31.	Establish a community garden at a park in Council District 7.	\$250,000
35.	Acquire land, plan, design, construct, and inspect sustainable and resilient flood control improvements including the installation of berms on Nakui Place.	\$250,000
39.	Provide funds to address the impacts of the pandemic on disproportionately impacted households or communities through 1) rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties to reduce their negative impact; 2) costs associated with acquiring and securing legal title of vacant or abandoned properties and other costs to position the property for current or future productive use; 3) removal and remediation of environmental contaminants or hazards from vacant or abandoned properties; 4) demolition or deconstruction of abandoned buildings (including residential, commercial, or industrial buildings) paired with greening or other lot improvement as a part of strategy for neighborhood revitalization; 5) conversion of vacant or abandoned properties to affordable housing, greening or cleanup of vacant lots, as well as other efforts to make vacant lots safer for surrounding community; 6) or inspection fees and other administrative costs incurred to ensure compliance with applicable environmental laws and regulations for demolition, greening, or other remediation activities.	\$1,307,000



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40.	Acquire systems integrated restrooms for use as public toilets at Cartwright Neighborhood Park.	\$300,000
41.	Plan, design, construct, and inspect a rear exit and widening improvements to the stairway connecting Ho'ae'ae Community Park and Kaleiopuu Elementary School.	\$800,000
42.	Plan and design a new comfort station at Kahi Kani Neighborhood Park.	\$500,000
43.	Plan, design, construct, inspect, and provide related equipment for improvements to the pedestrian bridge over the Honouliuli Stream at Kapapahu Point Park.	\$1,000,000
45.	Funding for a community-based multi-agency collaborative approach that includes all levels of law enforcement (City, State, and Federal agencies) for the prevention, control, and reduction of violent crimes, drug abuse, and gang activity in Council District 9.	\$150,000

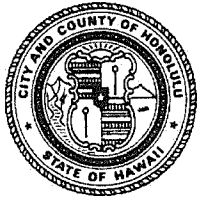
; and

WHEREAS, the category designation of the requested reprogramming of funds will be "REVENUE REPLACEMENT"; and

WHEREAS, Council Communication 292 (2023), dated November 17, 2023, was filed with the City Clerk requesting the submission of a resolution in support of this reprogramming request to allow for public discussion on the proposed action; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu ("Council") that it hereby approves the reprogramming of \$39,701,425 as described herein to support the proposed action; and

BE IT FURTHER RESOLVED that the Council, upon approval of the reprogramming of said funds, authorizes the Director of Budget and Fiscal Services to implement the reprogramming, receipt, and expenditure of said funds in accordance with this resolution, and execute any incidental or related amendments, agreements, or documents in furtherance of any reprogramming actions; and



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RESOLUTION

BE IT FINALLY RESOLVED that certified copies of this resolution be transmitted to the Mayor, the Managing Director, and the Director of Budget and Fiscal Services.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawai'i

Councilmembers